Carbon fight puts us on wrong side of history; Pricing plan is most efficient means of tackling climate change

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Body

Carbon pricing should be a settled issue in Canada, as it is in much of the world, especially among countries seeking to gain competitive advantage from it.

Yet carbon pricing, which this article uses as a proxy for reduction in all greenhouse gas emissions (GHGs), is shaping up as one of Canada's hottest political issues.

As recently as two years ago, there was near unanimity among provinces on the need for carbon-pricing regimes, some of which were planned or in place even before the Trudeau government mandated them for the entire country by Jan. 1, 2019.

But that consensus has been broken by subsequent changes in government in several provinces, notably a new Ontario government fiercely opposed to carbon pricing.

Ontario, Manitoba, Saskatchewan and New Brunswick lack carbon-pricing programs or have a climate-change program that falls short of federal standards for pricing pollution. Ontario Premier Doug Ford, in particular, is engaging in populist demagoguery in holding out against putting a price on carbon pollution.

That resistance puts Canada on the wrong side of history. The World Bank insists that "carbon pricing is an essential part of the solution" to global warming. The venerable UN climate change panel, biggest and most authoritative agency in the fight against global warming, called in a landmark report last month on all governments to introduce carbon pricing, and to set the price as high as possible if there is to be any hope of reaching necessarily ambitious GHG reduction targets.

Closer to home, the C.D. Howe Institute, Canada's leading business lobby, says "the politics of carbon pricing may have changed, but the climate change challenge has not." It labels the anti-carbon pricing jurisdictions "rogue provinces."

Already, 53 governments worldwide have put a price on GHG emissions.

They include six Canadian provinces and all three territories; the European Union, world's largest economy; Japan, third-largest economy; several of China's largest manufacturing centres; and powerhouse economy California.

That carbon pricing is an affordable remedy is evident in the mid-income countries that have adopted it, including Mexico, Slovenia, Latvia and Kazakhstan.

The chief weapon of climate-change deniers is not, in fact, denial that global warming exists. Instead, they are content to raise doubts about the degree to which humanity is the cause of it, and about the efficacy of proposed solutions.

That strategy is identical to the uncertainty that tobacco industry lobbyists manufactured about "exaggerated" human health risks from tobacco use.

So, just to set the record straight, some bald facts:

GHG emissions already impose a tax on all Canadians, in, among other degradations, poor air quality, higher health care costs, reduced crop yields and restrictions on business efficiency. Costs from weather events related to global warming alone cost Canadians more than $1 billion per year, Ottawa estimates.

Carbon pricing is the most efficient, lowest-cost means of fighting climate change. And it helps shift the costs of pollution to polluters, correcting a fundamental unfairness.

Carbon pricing is not a tax grab. Ninety per cent of the estimated annual $2.3 billion raised from carbon pricing will be rebated to Canadian households in their income-tax returns.

Last week, Ottawa unveiled its "Climate Action Incentive" program - payments of $128 to $305 for every adult Canadian in the four holdout provinces, with the first payments to arrive ahead of the federal election expected next year.

The feds will use the remaining 10 per cent of total funds collected to fund a program that helps hospitals, school boards, municipalities and Indigenous communities adjust to carbon pricing.

Small and medium-sized businesses alone will receive close to $1.5 billion in Ottawa adjustment assistance over the next five years. That is not a case of simply returning to Canadians money taken from them. The carbon levy will be paid only by polluters.

Carbon pricing is a capitalistic, free-market practice. It leaves the decision on polluting to the polluter. Polluters have the option of reducing their carbon levies by making more use of public transit; by purchasing hybrid or all-electric vehicles (EV) with generous government subsidies; and in business, by switching to more energy- and cost-efficient equipment.

Carbon pricing is no different from the incentives and disincentives that both government and the private sector use to affect behaviour. With RSPs, Ottawa pays Canadians to save for their retirement. Heavy fines on failing to buckle up have saved thousands of lives. And so-called "sin taxes" have helped cut the percentage of adult tobacco use from 55 per cent in the 1970s to the current 18 per cent.

Carbon pricing is a powerful economic stimulant. By one estimate, the world will reap a staggering $26 trillion (U.S.) by 2030 from its transition away from fossil fuels.

The actual size of that number is debatable. But it is inarguable that a vast amount of employment income, much of it new, will be generated from installing solar panels on tens of thousands of structures, building bulwarks against rising ocean levels, replacing the global auto fleet with EVs, and providing irrigation systems in regions increasingly threatened with famine and fresh-water shortages due to climate change.

The Trudeau government has an electoral mandate for carbon pricing, and won't back away from a centrepiece of its agenda. Self-respecting premiers in the holdout provinces can choose between creating carbon-pricing programs they can call their own, or having Ottawa impose one on them of the feds' design.

The Liberals will frame the next federal election as a debate not on carbon pricing, but on global warming, human survival and Canada as either a leader or foot-dragger in the fight against climate change.

Saskatchewan Premier Scott Moe, who opposes putting a price on carbon emissions, accuses the Liberals of using carbon pricing "to buy your vote with your money."

Justin Trudeau will enjoy stumping the country next year as a progressive alternative to the reactionary holdout premiers. And to present himself as the benevolent fellow providing every Canadian household with several hundred dollars a year in carbon-pricing rebates.

And for non-polluters, that federal money will, as they say, go straight to the bottom line.

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